II. CONTENT AND SUBMITTAL OF SQSP.

   A. **Overview of Process**. While the SQSP process is ongoing throughout the year, the formal plan submittal occurs once each year in conjunction with the funding cycle and utilizes the following process:

   1. **Annual Call Memo.** Each year, formal SQSP plan submittal will be initiated with an announcement memorandum (call memo). SESAs should carefully review the annual call memo. This memo will specify the dates relevant to the SQSP process for the approaching Fiscal Year; summarize Federal Program Emphasis for the year; and identify any special planning requirements in effect for the Fiscal Year. It also will explain opportunities for increased, targeted funding made available on an annual basis in the President's budget if such opportunities exist.

   a. **Schedule**. The significant activities and dates relating to the submittal and subsequent approval of the annual SQSP are estimated to be:

Activity	Approximate Date
1. SESAs submit UI-1 (UI Staff Hours and Travel Staff Years)	Early April
2. Annual "Call Memo" Issued	Late May
3. Regional Offices send financial guidelines and planning targets to SESAs	Late June
4. SESAs submit original and two copies of signed SQSP to Regional Office.	Mid August
5. Regional Office notification to SESAs of SQSP approval	Late September
6. Regional Offices notify National Office of approved SQSPs	No later than Sept 30

      b. Federal Program Emphasis. The Federal Program Emphasis, which may be found in the annual call memo which initiates the SQSP each year, summarizes the primary areas in which the Federal partner will focus attention and resources for the planning year. The five-year Department of Labor (DOL) and ETA Strategic Plans, and the DOL and ETA Annual Performance Plans, form the basis for the Federal Program Emphasis. Required by Congress under the Government Performance and Results Act, the Federal plans are developed in consultation with stakeholders and are an integral part of the Federal budget process. They establish program performance goals and outcomes and identify strategies and performance objectives to attain them. Accordingly, SESAs will want to review the current versions of these planning documents before developing their annual SQSPs. These documents may be found on the DOL and ETA webpage, <http://www.doleta.gov>. Printed versions also are available through the Regional Offices.

      c. Special Planning Requirements. Any special planning considerations or requirements for the planning year will be identified in the call memo.

      2. Financial Guidelines and Planning Targets. Each year the Regional Offices provide preliminary allocations and any special financial instructions for the year together with the deadline for plan submission.

      3. Performance Assessment.

      a. Continuous Assessment. In the SQSP process, both the Federal partner and the SESA will routinely access performance data to monitor program performance and initiate corrective action/continuous improvement effort whenever they appear to be warranted. The term Corrective Action Plan (CAP) is used to denote plans developed in response to data showing SESA performance below the minimum performance criteria established for Tier I measures, or in response to Program Reviews conducted during the year by the Federal partner, or in response to egregiously poor performance in Tier II measures. The term Continuous Improvement Plan (CIP) is used to denote plans developed with the intent to raise performance levels for Tier II performance measures, which do not have established minimum criteria, or for Tier I performance levels already above the established minimum criteria. Although performance may be viewed, and judged, at specific points in time (e.g., weekly, monthly, quarterly, etc.), each assessment reviews performance over time and focuses not only on average performance for the period in question, but also on the trend of performance over the period reviewed (e.g., was performance declining or improving, sustained or erratic).

      b. Annual Assessment. An annual assessment will augment the ongoing continuous improvement process, and will form the basis for continuous improvement planning and corrective action planning for the SQSP. This annual assessment will utilize the most recent 12-month performance data reasonably available. For data reported monthly or quarterly, the assessment will include the 12 months ending March 31 of each year. For data reported annually, the assessment will be based on data reported for the most recent complete calendar year (or other full 12-month period, per reporting requirements).

ETA will make all data available to the States in June, but SESAs on their own have continuous access to the data resident on the State SUN computer system, or from the Information Technology Support Center (ITSC) website at http://www.itsc.state.md.us/. Subsequent performance data that becomes available during the plan development period (e.g., April, May, June data) should be utilized to refine plans before final submission and approval.

  c. SESA/Regional Negotiation. SESAs and Regional Administrators must agree on, before the annual SQSP is signed, the specific areas for which the SESA will submit CIPs in the SQSP. These negotiations encompass Tier II performance measures and Tier I performance above the established minimum criteria. CAPs are mandatory if performance is unsatisfactory and an effective plan is not already in place for: 1) program reviews conducted during the year by the Federal partner, 2) required reports, 3) BAM requirements, 4) TPS requirements, or for Tier I measures.

  4. SESA SQSP Preparation. SESAs must prepare and transmit an annual SQSP in accordance with the instructions in this Handbook and in the annual SQSP call memo.

The SQSP, and the CAPs and CIPs contained within, is the State's formal plan and schedule for improving performance. An acceptable SQSP must have SESA management approval and authorize the resources necessary to conduct the actions planned. It should not be a staff level proposal to SESA management for which review and approval (or disapproval) will not occur until after the start of the plan action period.

  5. SQSP Review & Approval. Regional Offices shall review SQSPs for completeness, and to make sure that they are in accord with the instructions, and that they reflect negotiated agreements. This review may result in the RO initiating additional discussion or obtaining clarification. A plan that the Regional Administrator deems unsatisfactory, i.e., failing to meet the requirements identified in this Handbook, and for which resolution of differences has not been achieved, shall be returned to the SESA for revision without approval.

 B. Content of SQSP. The Annual SQSP must contain the elements/documents listed below:

  1. Transmittal Letter. SESA Administrators must prepare and send a cover letter to the appropriate Regional Office transmitting all the required SQSP documents.

  2. State Plan Narrative. A summary and one or more brief focused narratives, in a prescribed format, addressing each major planning element (goal, objective, functional or programmatic area) upon which the SESA plans to focus during the program year must be prepared and included in the SQSP.

The State Plan Narrative provides the vehicle for sharing with the Federal partner State/SESA specific efforts that impact on the administration of the UI Program, indicating how the SESA intends to address Federal Program Emphasis areas, and identifying desired technical assistance. Much as the Federal partner has done by defining Program Emphasis annually, the State Plan Narrative allows the SESA to

designate elements on which it intends to focus in the coming year, and describe how those elements are incorporated into a cohesive and comprehensive plan for administration of the UI Program.

Section III., State Plan Narrative, provides a detailed description and instructions for the format and content of the narratives. A sample narrative is contained in Appendix I.

   3. Corrective Action/Continuous Improvement Plans.

      a. CAPs. SESAs must complete and submit CAPs for:

         1. Performance that did not meet criteria established for Tier I measures for the annual measurement period, and remains uncorrected prior to the preparation of the SQSP;

         2. Egregious poor performance identified by an analysis of results from Tier II measures;

         3. Consistent failure to timely or accurately submit any Federally-required reports;

         4. Uncorrected deficiencies identified in program reviews conducted by the State or ETA;

         5. Failure to meet Federal requirements identified in the administration of BAM (20 CFR Part 602 and ET Handbook 395) which remain uncorrected; and,

         6. Failure to fully complete all parts of the TPS, as required in ET Handbook 407, Revenue Quality Control.

      b. CIPs. Supporting a continuous improvement environment, the SQSP allows for the optional submission of CIPs which focus on performance which is not deficient, but for which a SESA and Regional Office see the opportunity to attain an enhanced goal in service delivery. States, on their own initiative, or as a result of negotiations initiated by the Regional Office, are encouraged to prepare CIPs for Tier II measures, or Tier I measures above base requirements. The preparation of such plans may be useful to indicate new goals or SESA program emphasis. Such CIPs are considered part of the SQSP.

The CAP/CIP format is found in Appendix I.

   4. Budget Worksheets. SESAs must complete required budget forms and plan for administration based on projected allocations received from the Federal partner, and Congressional action.

All SESAs must complete Worksheet UI-1 and SF 424, and SF 424B. SESAs must complete the SF 424A only if they vary the quarterly distribution of base claims activity staff years.

SESAs must submit the Worksheet UI-1 by April 1 of each year separately from the August SQSP submittal. SESAs must include SF 424, SF 424A (if necessary), and SF 424B in the August SQSP submittal.

Completion instructions and facsimiles of these forms are located in Appendix I.

     5. Organizational Chart. The SESA must submit a new organizational chart if its organizational structure has changed in the last year. This organization chart must conform to the requirement for delivery of service through public employment offices, or such other designated providers as the Secretary may authorize; show the SESA's configuration from the Governor of the State down to the point of Employment Service and UI customer service delivery; and provide sufficient detail to show each organizational unit involved and the title of the unit manager.

     6. Signature Page. SESA Administrators must sign and date the Signature Page located in Appendix I. By signing the Signature Page, the SESA Administrator certifies that the SESA will comply with all the assurances contained in the SQSP guidelines. Therefore, it is not necessary for SESAs to include written assurances with their SQSP submittals.

    C. Submittal of SQSP. SESAs must submit an original and two signed copies of the SQSP to their Regional Office by the date the Region has specified. The SQSP Content Checklist located at the end of this chapter shows all the documents which comprise the entire SQSP. Each SESA must include a completed Checklist to insure that those documents appropriate to its plan are submitted, and to minimize the potential for a delay in the approval and funding process. Electronic transmittal of the SQSP is envisioned after critical Year 2000 conversion activities are complete.